



Company name: Ube Industries, Ltd.  
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President and Representative Director  
Security code: 4208 (shares listed on First Section of  
Tokyo Stock Exchange and Fukuoka  
Stock Exchange)  
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## **UBE Announces Dissolution of Subsidiary and Extraordinary Loss**

TOKYO, September 30, 2014—Ube Industries, Ltd. today announced the dissolution of its subsidiary, Ube Board Co., Ltd. The decision was approved today at a meeting of the Board of Directors. As a result of the dissolution, Ube Industries will record an extraordinary loss for the fiscal year ending March 31, 2015. Details of the dissolution and extraordinary loss are outlined below.

### **1. Reason for Dissolution of Subsidiary**

Ube Board was originally established in 1950 as Ube Slate Industries, Ltd., focusing on corrugated panels for the walls and roofs of building structures.

In 1986, the company introduced its first exterior siding product and later changed its company name to Ube Board Co., Ltd. in 1987, expanding into other product segments such as raised floors and exterior/interior building materials. However, the company continued to experience flat sales volumes beginning in the mid-1990s, due to factors such as a decline in building starts and competition within the industry.

Additionally, the company's earnings declined considerably, especially in the exterior siding business. Factors included revisions to JIS standards for exterior/interior building materials in 2008 that resulted in cancellation of approval of the company's main products.

Faced with these challenging business conditions, the company sought to improve revenues by reducing fixed costs and raising productivity, while focusing on marketing activities centering on niche products. However, the company was unable to fundamentally improve the profitability of its exterior siding business.

After carefully considering the circumstances and sustainability of the company and its future business, the Board of Directors of Ube Industries made the decision to dissolve the subsidiary.

## 2. Company Data for Ube Board Co., Ltd.

(1) Company name	Ube Board Co., Ltd.		
(2) Location	1988-1, Okinoyama, Kogushi, Ube City, Yamaguchi Prefecture		
(3) Representative	Mikio Mori, President		
(4) Business Description	Manufacturing, marketing, and installation of panels/boards, corrugated panels, raised flooring, and exterior/interior building materials		
(5) Capital Stock	¥490 million		
(6) Established	July 1950		
(7) Shareholder	Wholly owned by Ube Industries, Ltd.		
(8) Non-Consolidated Earnings and Financial Data for Last Three Years (Million Yen)			
Fiscal Year	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014
Non-consolidated net assets	(2,590)	(2,929)	(3,516)
Non-consolidated gross assets	7,676	7,499	7,099
Non-consolidated net assets per share (yen)	—	—	—
Non-consolidated net sales	6,085	5,787	5,853
Non-consolidated operating income	(278)	(246)	(477)
Non-consolidated ordinary income	(342)	(299)	(552)
Non-consolidated net income	(386)	(339)	(587)

## 3. Schedule for Dissolution (Subject to Change)

March 31, 2015: Scheduled dissolution of the company

## 4. Details of Extraordinary Loss

Based on the aforementioned dissolution, Ube Industries will record a consolidated extraordinary loss of ¥4.3 billion for the fiscal year ending March 31, 2015. Included in this extraordinary loss are expenses related to liquidation, loss on devaluation of fixed assets, and foreseeable future losses from remaining operations.

In addition, Ube Industries will record a non-consolidated extraordinary loss of ¥4.0 billion.

## 5. Accounting Forecast

The impact of the above mentioned extraordinary loss on the business results of UBE Industries for the fiscal year ending March 31, 2015 will be negligible, since the company can acquire the tax benefit from recording allowance for bad debts in previous years and UBE Industries has also estimated a certain amount of restructuring charges in its earnings forecast.

## 6. Asbestos Litigation

Ube Board has been named as a defendant in cases of litigation relating to asbestos, brought against the government of Japan and building materials manufacturers. The company will continue to meet its responsibilities as a defendant in the litigation cases.

## 7. Transfer of Business

Ube Board will be dissolved effective March 31, 2015, but its potentially profitable businesses other than exterior siding will be transferred to a new company as of April 1, 2015.

The details of the new company to be established are outlined below.

(1) Company name	Shin Tokiwa Industries, Ltd. (tentative)
(2) Head Office Location	704-65 Gokanjima Hamazoe, Fuji City, Shizuoka Prefecture
(3) Representative	To be named
(4) Business Description	Manufacturing, marketing, and installation of corrugated panels, raised flooring, and bathroom mats
(5) Capital Stock	¥200 million (scheduled)
(6) Established	Scheduled for March 2015
(7) Shareholder	Wholly owned by Ube Industries, Ltd.